



Towards a Smarter Glasgow

Slims Consulting Economic Statement Series
March 2010

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Key Performance Indicators

	Glasgow	Scotland
Workforce Skills*		
% workforce with degrees, 2008	33%	34%
Change in % with degrees, 2000-08	10%	9%
% workforce with no qualifications, 2008	19%	13%
Change in % with no qualifications, 2000-08	-5%	-5%
School Leavers		
% of S4 gaining 5+ Standard Grades, 2008	66%	76%
% of S4 staying on to S5, 2008	59%	65%
% of previous years' S4 gaining 3+ Highers in S5, 2008	15%	22%
% school leavers entering positive destinations, 2009	84%	85%
Change in % entering positive destinations, 2000-2009	13%	2%
% school leavers entering HE, 2009	26%	35%
% school leavers entering FE, 2009	31%	27%
% school leavers unemployed, 2009	14%	13%
% 16-19 yr olds not in emp, educ or training, 2008	10.3%	8.8%
% change in 16-19 yr olds not in emp, educ or training 2004-08	-24%	-13%
Further Education		
Total resident FE enrolments, 2008/09	67,700	475,600
% change in resident FE enrolments, 1998/99 – 2008/09	6%	16%
HE resident enrolment rate per 10,000 working age, 2008/09	180	143
FE resident enrolment rate per 10,000 working age, 2008/09	1,547	1,325
% of enrolments by residents from deprived neighbourhoods	48%	17%
Higher Education		
Total graduates, 2008	2,620	27,230
% change in total graduates 2000-08	66%	39%
Graduates per 1,000 adults, 2008	6.7	8.4
% graduates in positive destinations	91%	91%
% graduates employed in managerial or professional occupa	80%	77%
Skills & Training in the Workplace		
% employees receiving in-work training in last 4wks	9.0%	10.6%
% receiving training that are managers or professionals	54%	54%
% receiving training that work in service sector	91%	83%

* workforce refers to resident working age population

1 Introduction

1.1 Introduction

Welcome to the second instalment of the **Slims Consulting Economic Statements 2010**.

Last year, we significantly restructured the Economic Statements as a result of a number of factors:

- the introduction of the **Government Economic Strategy**, which set a new framework for the co-ordination of public sector activity in support of sustainable economic growth in Scotland;
- the introduction of a new **National Performance Framework**, which identifies key economic and social performance indicators and targets; and
- the **need to better meet the needs of our clients** by providing more effective economic intelligence to support their strategic and operational planning needs.

This year, we have maintained the focus of our reports on measuring progress towards the GES targets. However, we have also included some **additional analysis and commentary around the emerging evidence of the impact of the recession on our member areas**. Of particular interest within this report is the analysis of the latest statistics from the Higher Education Statistics Authority (HESA), which provides the first evidence of the impact of the recession on graduate labour market opportunities.

The remainder of this introduction sets out:

- a **summary of the Government Economic Strategy** and the associated objectives and targets for economic growth in Scotland;
- the **key role of skills and qualifications in achieving sustainable economic growth** and increasing global competitiveness;
- an outline of the key priorities set out in **Skills for Scotland: A Lifelong Skills Strategy**;
- the **structure of the Economic Statement Series** and how this aligns with the priorities set out in the Government Economic Strategy; and
- details on what you will find in this second instalment of the Economic Statement Series – **Smarter**.

1.2 The Government Economic Strategy

In November 2007, the Scottish Government released the Government Economic Strategy, highlighting the economic development priorities and objectives of Scotland's new Government. The key purpose of the Strategy is to focus central government and the wider public sector on one purpose – **increasing sustainable economic growth**.

Strategic Objectives and Priorities

The strategy sets out a set of Strategic Priorities and Objectives, as well as a set of ambitious national targets for economic growth through a National Performance Framework. The five Strategic Priorities, around which public sector action should be aligned to create the conditions for sustainable economic growth are:

- Learning, Skills and Well-being

- Supportive Business Environment
- Infrastructure Development and Place
- Effective Government
- Equity

These five Priorities in turn, give rise to the five Strategic Objectives focused around creating **A Scotland that is...**

- Wealthier & Fairer
- Smarter
- Healthier
- Safer & Stronger
- Greener

1.3 Role of Skills in Achieving Sustainable Economic Growth

In 2004, the UK Government commissioned Lord Leitch to undertake an independent review of the UK's long term skills needs to identify the UK's optimal skills mix for 2020 to maximise economic growth, productivity and social justice. The final report of the Leitch Review of Skills was published in December 2006.

The evidence from the Review suggested that the UK needed to **urgently raise achievements at all skills levels** in order for businesses of the future to have the skilled workforce required to be globally competitive. The Review found that for the UK to move into the upper quartile of OECD countries in terms of skills and qualifications would mean **doubling attainment at most skill levels**. Amongst the report's other main conclusions were:

- Maintaining the present (very positive) trends in skill levels will not be sufficient to ensure that the UK economy remains internationally competitive in 10-15 years' time – **"being world class is a moving target"**
- There are **substantial job creation benefits** from tackling the problem of low skills
- The main benefits from improving the position of those who already have intermediate or high skills are felt in **productivity**.

The role of skills and human capital in increasing economic competitiveness is therefore well recognised. In terms of both wealth creation and social cohesion, skills have an important role to play in achieving increases in productivity and labour market participation, both of which are recognised within the GES as key drivers of sustainable economic growth.

1.4 Skills for Scotland – A Lifelong Skills Strategy

In recognition of the key role that skills have to play in helping Scotland achieve the Purpose Targets set out in the Government Economic Strategy, **Skills for Scotland: A Lifelong Skills Strategy** was launched in 2007.

The Government's ambitions for a 'Smarter Scotland' are based on developing a globally competitive economy with a stock of high value jobs and progressive and innovative business leadership. The Skills Strategy highlights a number of measures aimed at achieving this vision, focussed around the following categories:

- **a strong start** – firm foundations for skills development in young people
- **developing potential** – equipping individuals with the skills Scotland needs
- **making skills work** – linking demand for skills with supply of skilled individuals
- **information advice and guidance** – improving the provision of support services

In 2007, the Scottish Government established Skills Development Scotland (SDS) to deliver on the vision set out in Skills for Scotland. SDS work with a range of public and private sector partners across Scotland to deliver advice, funding and skills & training aligned to the priority areas identified within the Skills Strategy.

1.5 Slims Consulting Economic Statements

The Slims Consulting Economic Statement Series consists of two annual reports for each of our member areas looking at progress made towards two of the Strategic Objectives set out in the Government Economic Strategy for Scotland – **Wealthier & Fairer** and **Smarter**. This report represents the second in this years' series – **Smarter**.

The data, analysis and commentary contained within these reports are aligned to the targets set out in the Government Economic Strategy and the National Performance Framework for Scotland. For each indicator, we look at recent trends and benchmark performance against the Scottish and UK averages.

All the charts and tables included in these reports are available to download from the Members' section of our website – www.slims.org.uk.

1.6 Structure of this report

The remainder of this report is set out in five main sections which cover various aspects of the skills and educational performance of Glasgow, namely:

- Workforce Skills
- School Leavers
- Further Education
- Higher Education
- Skills & Training in the Workplace

In the final section, we set out some conclusions on Glasgow's performance in relation to the strategic objective of creating a **Smarter Scotland**.

2. Workforce Skills

The Government Economic Strategy identifies that a Smarter Scotland **needs improved skills across the entire population** in order to meet the future needs of the national economy. In relation to this, one of the key targets set out in the National Performance Framework for Scotland is to **reduce number of working age people with severe literacy and numeracy problems**.

The key objective of the Economic Strategy for Scotland is to increase sustainable economic growth. Skills have a crucial role to play in achieving this by:

- providing workers with access to more and better paid employment opportunities, helping to generate a more inclusive labour market; and
- growing entrepreneurial confidence and creating an environment where people and businesses can flourish.

This chapter contains analysis of current qualification levels among the working age population of Glasgow and the impact of these on the labour market.

2.1 Qualifications of the Workforce

This section looks in detail at qualification levels among the working age population of Glasgow and covers:

- Workforce Qualifications
- Degree Level Qualifications
- No Qualifications
- Literacy & Numeracy

2.1.1 Workforce Qualifications

The proportion of Glasgow residents educated to degree level is in line with the Scottish average, but a much higher proportion of city residents have no qualifications at all.

Table 2.1 shows that a third (33%) of all working age residents in Glasgow were qualified to degree level (NVQ Level 4) or above in 2008. This was above the equivalent rate for GB and in line with the Scottish average.

However, this good performance is not matched at the other end of the qualification scale as almost a fifth (19%) of all the entire working age population of the city have no qualifications at all. This is above the averages for both Scotland (13%) and GB (12%) and amongst the highest of all local authority areas in Scotland.

Table 2.1

Source: Annual Population Survey

Workforce Qualifications 2008*			
	Glasgow	Scotland	GB
NVQ Level 4+	33%	34%	29%
NVQ Level 3	18%	19%	18%
NVQ Level 2	14%	17%	18%
NVQ Level 1	8%	10%	14%
Other Qualifications	8%	7%	9%
No Qualifications	19%	13%	12%

*% of working age population

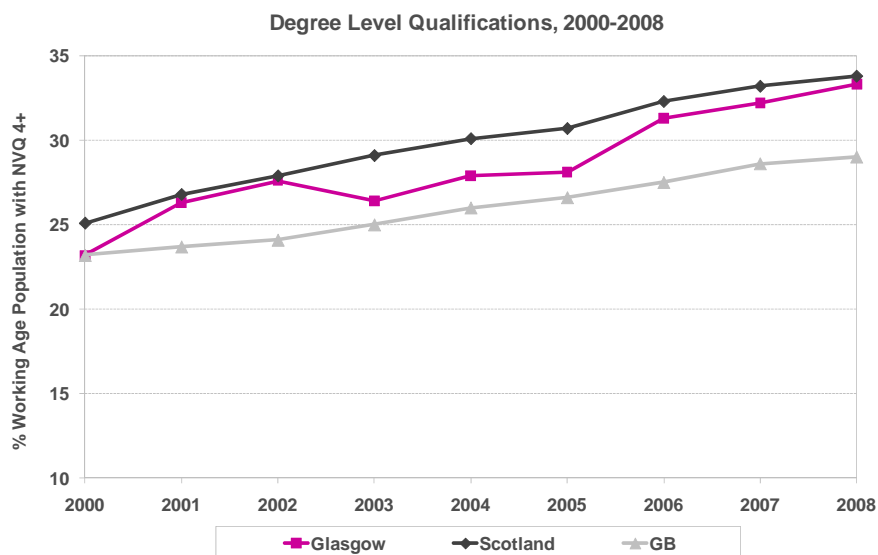
2.1.2 Degree Level Qualifications

The proportion of Glasgow residents educated to degree level has increased substantially in recent years so that it is now in line with the Scottish average.

Chart 2.1 shows change in the proportion of working age residents with degree level qualifications in Glasgow, Scotland and GB since 2000. It shows that the proportion of Glasgow residents educated to degree level increased from 23% in 2000 to 33% in 2008. This means that Glasgow now matches the Scottish average on this measure.

Chart 2.1

Source: Annual Population Survey (2004-08); Local Area Labour Force Survey (2000-04)



2.1.3 No Qualifications

The proportion of Glasgow residents with no qualifications is above average across all age groups, though the gap is proportionately widest amongst older residents over the age of 50.

Table 2.2 shows that the proportion of Glasgow residents with no qualifications is above the national averages for both genders and all age groups. The gap is proportionately widest amongst those over the age of 50. In 2008, 36% of Glasgow residents in this age group had no qualifications compared to 19% nationally. The difference is much less marked amongst younger residents aged 16-24 (9% relative to 8%).

Table 2.2

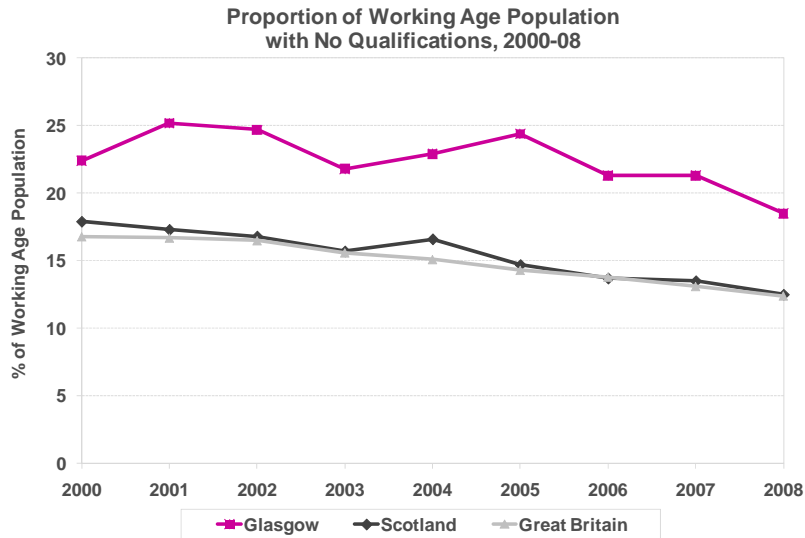
Source: Annual Population Survey

Residents with No Qualifications 2008				
	Glasgow		Scotland	
	No.	%	No.	%
Males	32,200	16%	191,200	12%
Females	39,200	21%	209,800	14%
16-24	7,700	9%	50,100	8%
25-49	37,000	16%	187,200	10%
50+	26,700	36%	163,600	19%
Total	71,400	19%	400,900	13%

Chart 2.2 shows recent change in the proportion of the population with no qualifications in Glasgow, relative to Scotland and GB. It shows that the proportion fell from 22% in 2000 to 19% in 2008. However, this pace of decline will need to accelerate if the city is to move closer to the national averages on this measure.

Chart 2.2

Source: Annual Population Survey (2004-08); Local Area Labour Force Survey (2000-04)



The proportion of Glasgow residents over the age of 50 with no qualifications is substantially above the national average. However, it is likely that the majority of these people will leave the labour market within the next ten years, suggesting that further falls in the share of residents with no qualifications is likely over the coming decade.

2.1.4 Literacy & Numeracy

The Economic Strategy identifies a target to reduce the number of people in Scotland with severe literacy and numeracy problems. Data on the number of working age people in this category is currently being developed through a new national survey. In the meantime, the preferred proxy measure is the proportion of working age adults with qualifications at SCQF Level 4 or below, though this is only available at the national level.

The proportion of adults across Scotland with qualifications at or below SCQF Level 4 has been falling steadily in recent years. In 2008, 15% of working age people were qualified to this level – a substantial reduction from the equivalent rate of 21% in 2001. This suggests that the country as a whole appears to be making good progress in relation to the target.

2.2 Impact of Qualifications on the Labour Market

2.2.1 Employment by Qualification

Across all areas, employment rates are highest amongst those with higher level qualifications.

The level of skills and qualifications held by an individual has a direct impact on their likelihood of being in employment and their earning potential. Table 2.3 shows the current employment rate and average earnings of Glasgow residents, relative to the Scottish and GB averages.

It shows that, whilst the employment rate in Glasgow remains lower than across Scotland as a whole, the average earnings of those living in the city are in line with the national average. In other words, a lower proportion of residents are in work but the earnings of those that are in work are just as high as elsewhere in Scotland.

Chart 2.3

Source: Annual Population Survey; ASHE

Employment Rate & Earnings, 2009		
	Employment Rate	Average Weekly Earnings*
Glasgow	66%	£388
Scotland	75%	£388
GB	74%	£400

*refers to resident earnings

Chart 2.3 shows employment rates by qualification level across Glasgow, Scotland and GB. It can clearly be seen that those with higher qualifications are more likely to be in employment across all areas.

In Glasgow, 80% of all residents educated to degree level or above were in employment in 2009, below the Scottish and GB averages of 86%. Similarly, the employment rates of those qualified to NVQ Levels 1-3 and with no qualifications were also below the national averages.

Individuals qualified to NVQ Levels 1-3 are much more likely to be in employment than those with no qualifications at all. The implication of this for policy makers is that continued reduction in the proportion of the population with no qualifications at all is likely to result in an increase in the employment rate.

Chart 2.3

Source: Annual Population Survey



2.2.2 Earnings by Qualification

There is a substantial premium in terms of earning potential for those with higher level qualifications.

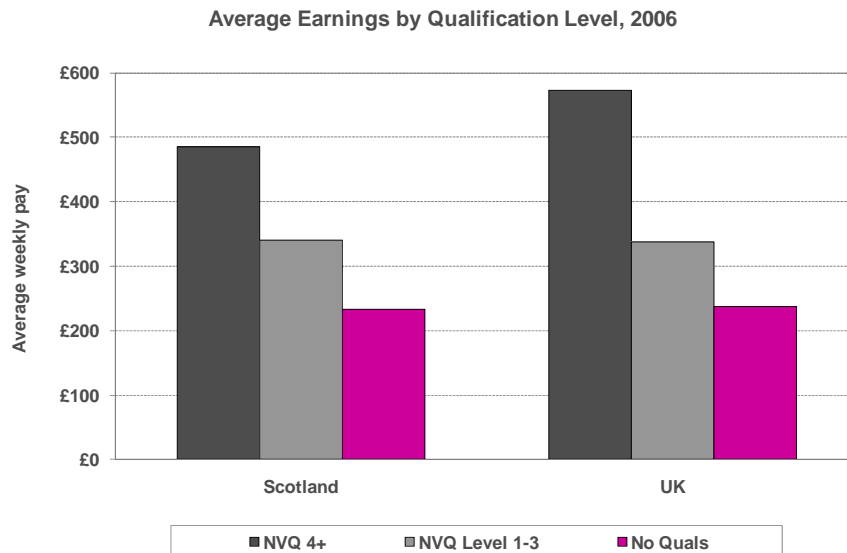
Chart 2.4 shows average weekly earnings by broad qualification group for Scotland and the UK. It shows that:

- Average weekly earnings for those with degree level qualifications are much higher across the UK than in Scotland (£570 compared to £480);
- In Scotland, average earnings among graduates are more than double the figure for those with no qualifications at all (£230); and

- Across Scotland and the UK, average earnings of those with mid-range qualifications are closer to those with no qualifications than to those with degrees. This suggests that there is a substantial premium in terms of wage levels for those with higher level qualifications.

Chart 2.4

Source: Annual Population Survey



2.3 Conclusions – Workforce Skills

- The Government Economic Strategy identifies reducing the number of working age people with severe literacy and numeracy problems as a national priority. Despite data limitations, **there is some evidence to suggest that the country as a whole is making good progress in relation to this.**
- The proportion of Glasgow residents with no qualifications is above the national average and has fallen only marginally in recent years. **An increased focus on reducing the numbers in this group is likely to be required if the city is to contribute to the national target.**
- The share of Glasgow residents educated to degree level has increased rapidly in recent years so that it is now in line with the national average.
- Skills and qualification levels have a direct impact on an individual's likelihood of being in work and their earning potential. **Individuals with at least some form of qualification are much more likely to be in work than those with no qualifications at all.**
- Glasgow's low employment rate is therefore likely to be linked to the relatively high proportion of city residents with no qualifications at all. **Success in reducing the numbers with no qualifications would help increase the employment prospects and earning potential of many residents.**

3. School Leavers

The level of qualifications achieved by any young person leaving school has a profound impact on the employment and educational opportunities available to them. This in turn is likely to influence their labour market options throughout their lives. In recognition of this, Scotland's Economic Strategy has set a target **to increase the proportion of school leavers in positive and sustained destinations (FE, HE, employment or training)**.

There has been a rapid increase in the number of unemployment benefit claimants across Scotland and the UK since the start of the recession in 2008. This increase has disproportionately affected young people, **with the greatest percentage increases in claimant unemployment amongst those aged 16-19**. Research studies have shown that long periods of youth worklessness can have a negative impact on labour market participation levels throughout an individual's entire working life.

It is therefore increasingly important, particularly given the contraction in the jobs market since the start of the recession, that there are suitable skills and learning opportunities available to young people leaving school. This will help to avoid what some commentators have described as the **'lost generation'** that occurred as a result of high levels of youth unemployment during and after the recessions of the 1980s and 1990s.

This section looks at recent trends relating to the attainment and destinations of school leavers in Glasgow and covers:

- School Exam Results
- Staying-On Rates
- School Leaver Destinations
- More Choices, More Chances

3.1 School Exam Results

Qualification attainment across secondary schools in Glasgow is below average compared to Scotland as a whole.

Table 3.1 provides a summary of secondary school exam results in Glasgow, relative to Scotland, in 2008. Overall, attainment levels amongst secondary school pupils in the city are lower than across Scotland as a whole:

- Two thirds (66%) of S4 students in Glasgow gained 5+ Standard Grades at General Level or better in 2008, compared to the Scottish average of 76%;
- A lower proportion of S4 students in the city went on to achieve 3+ Highers in S5 when compared to Scotland; and
- Just 12% of S4 pupils from two years ago went on to achieve 5+ Highers in S6, compared to 20% across Scotland as a whole.

Table 3.1

Source: Scottish Government

School Exam Results 2008				
	% of S4 gaining 5+ Standard Grades @ General Level or better	% of previous years' S4 gaining 3+ Highers in S5	% of S4 from 2 years ago with 5+ Highers in S6*	% receiving free school meals
Glasgow	66%	15%	12%	27%
Scotland	76%	22%	20%	13%

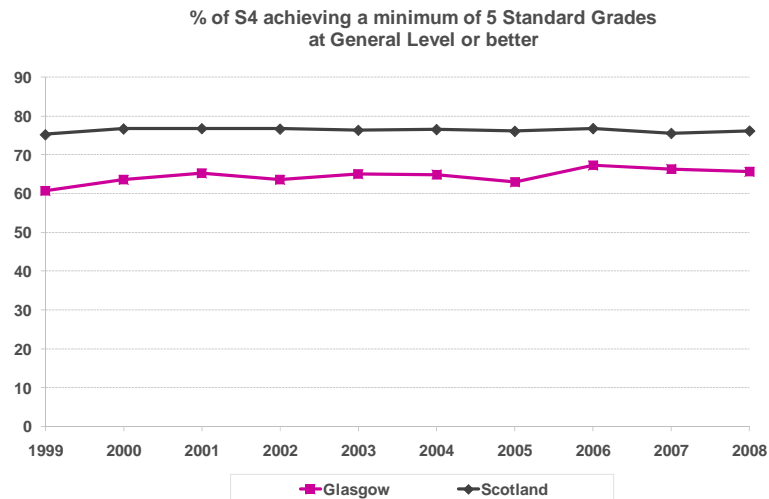
*cumulative total from S5 and S6

It is important to note that pupil attainment levels vary considerably between schools and are closely linked to deprivation levels. The proportion of pupils entitled to free school meals is a key indicator of the proportion from low income families. In Glasgow, 27% of all secondary school pupils are entitled to free meals, more than double the Scottish average of 13%.

Standard Grade results are a key determinant of staying on rates and general labour market prospects for young people. Standard Grade attainment levels in Glasgow have been consistently below the Scottish average since 1999, as shown in Chart 3.1.

Chart 3.1

Source: Scottish Government



3.2 Staying on Rates

Whilst there has been some improvement in the staying on rate in Glasgow in recent years, secondary school pupils in the city remain still less likely to stay on past S4 than across Scotland as a whole.

In 2008, a total of 5,500 secondary pupils in Glasgow completed S4. Of these, 59% stayed on to S5, below the Scottish average of 65% as shown in Table 3.2. The staying on rate from S4 to S6 in Glasgow also falls short of the national average.

Table 3.2

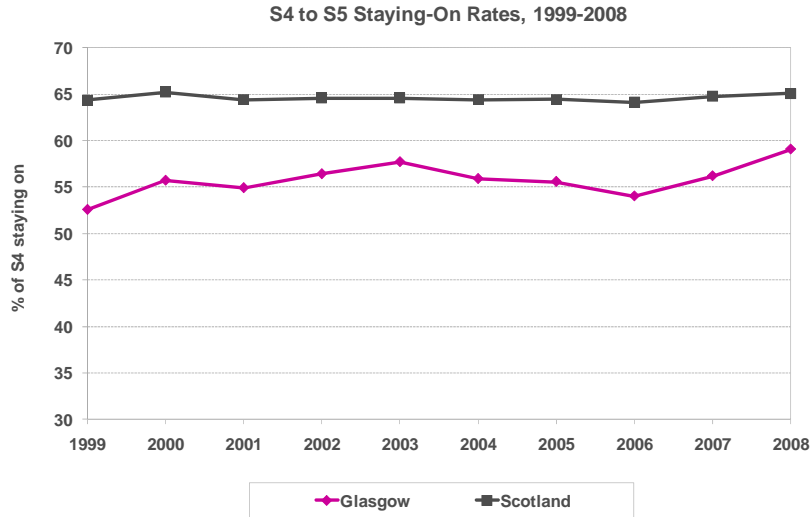
Source: Scottish Government

Staying-On Rates 2008		
	% of S4 staying on to S5	% of S4 staying on to S6
Glasgow	59%	37%
Scotland	65%	45%

Chart 3.2 shows that the proportion of secondary students in Glasgow staying on past S4 has been below the national average since 1999. However, there has been some improvement on this measure in recent years.

Chart 3.2

Source: Scottish Government



The contraction of the jobs market that has occurred over the past 18 months has led to fewer job opportunities being available to school leavers. These difficult labour market conditions could result in a higher proportion of secondary students choosing to continue their studies past S4. Looking at the chart, there does appear to be some evidence of this with the staying on rates in Glasgow increasing in both 2007 and 2008.

3.3 School Leaver Destinations

School leavers in Glasgow are more likely to enter further education or training, and less likely to enter higher education, than across Scotland as a whole.

Chart 3.3 shows the destinations of school leavers from Glasgow and Scotland in 2008. It shows that:

- Around a quarter (26%) of Glasgow school leavers entered Higher Education, some way below the Scottish average of 35%;
- Higher proportions of Glasgow leavers went into Further Education or Training when compared to Scotland as a whole; and
- The share of leavers entering employment or unemployment was broadly in line with the national average.

Chart 3.3

Source: Scottish Government

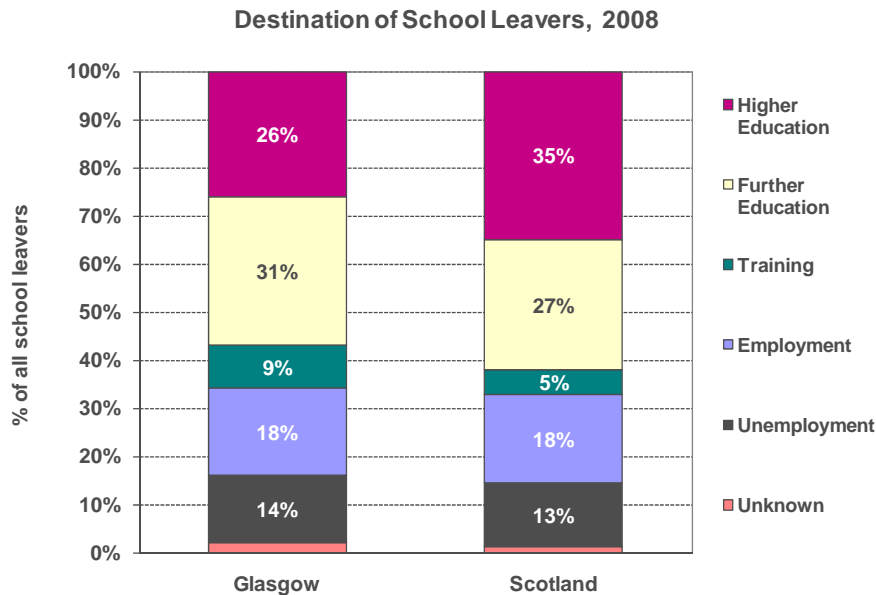
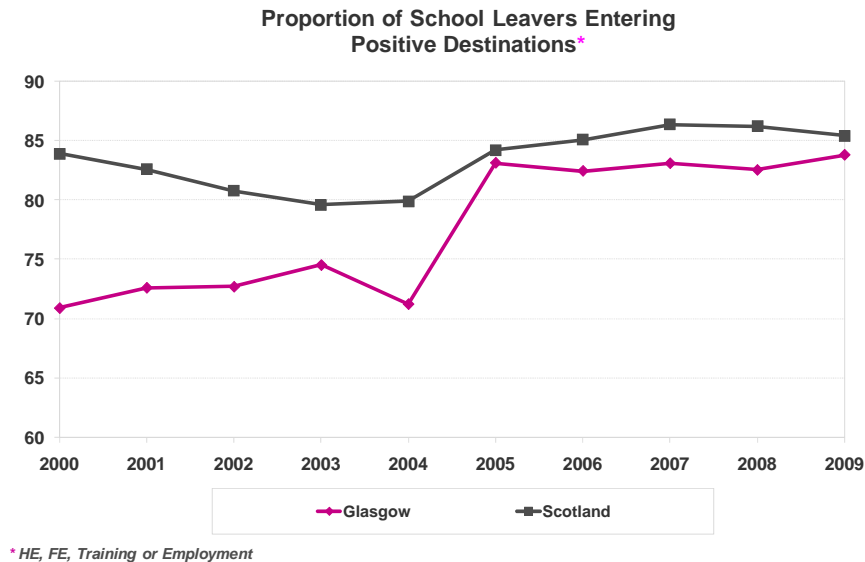


Chart 3.4 shows change in the proportion of school leavers entering positive destinations in Glasgow and Scotland since 2000. It shows a substantial improvement on this measure in the city over the period, though the large jump between 2003 and 2004 may reflect a change in how the data was collected rather than a genuine increase. However, the proportion of Glasgow school leavers entering positive destinations has moved much closer to the national average since 2000.

Chart 3.4

Source: Scottish Government



As discussed in the introduction to this chapter, the increase in claimant unemployment that has occurred across Scotland since the start of the recession in 2008 has been disproportionately concentrated amongst young people of school leaving age. A continued focus on increasing the proportion of school leavers entering positive destinations will help mitigate the risk of what some commentators have termed a 'lost generation', referring to the potential long term effects resulting from widespread youth worklessness.

3.4 More Choices, More Chances

The Scottish Government launched the *More Choices, More Chances* strategy in 2006, which sets out an action plan aimed at reducing the number of young people aged 16 to 19 years old that are not in employment, education or training. **Glasgow has a higher proportion of young people in this category than across Scotland as a whole.**

As shown in Table 3.3, there were more than 3,100 16-19 year olds in Glasgow not in employment, education or training in 2008. This amounted to 10.3% of all people in this age group, above the Scottish average of 8.8%.

There were around 1,000 fewer young people in Glasgow in this category in 2008 than in 2004, an overall decline of 24%. This was almost twice the equivalent decline of 13% across Scotland as a whole over the period.

Table 3.3

Source: Scottish Government

16-19 Year Olds not in Employment, Education or Training					
			Change 2004-2008		Rate 2008
	2004	2008	No.	%	
Glasgow	4,110	3,140	-970	-24%	10.3%
Scotland	26,810	23,270	-3,540	-13%	8.8%

These figures are only available up to 2008 and so pre-date the rapid increase in claimant unemployment amongst young people that has occurred since the start of the recession. The challenge for Glasgow will be to maintain its recent success in terms of reducing youth unemployment and inactivity in light of very challenging economic conditions.

The contraction in the jobs market combined with rising unemployment has resulted in a very competitive jobs market. In these circumstances, skills and training interventions may offer the best opportunity for keeping young people active. However, these will need to be targeted at specific sectors and closely linked to real opportunities if they are to be successful and attractive to young people.

3.5 Conclusions – School Leavers

- **Qualification attainment across secondary schools in Glasgow is below average relative to Scotland as a whole.** The proportion of S4 students achieving a minimum of five Standard Grades at general level or better has been consistently below the national average over the past decade.
- Despite some improvement in recent years, **staying-on rates in secondary schools in Glasgow remain below the Scottish average.**
- Relative to Scotland as a whole, school leavers in Glasgow are less likely to enter Higher Education and more likely to enter Further Education or Training. **School leavers in the city are no more likely to enter unemployment than across Scotland as a whole.**
- There has been a substantial improvement in recent years in the proportion of school leavers in Glasgow entering positive destinations. **However, this will need to improve further still to reach the Scottish average and contribute to the national target.**
- **There was a substantial reduction in the number of 16-19 year olds in Glasgow that were not in employment, education or training between 2004 and 2008.** However, the proportion of young people in this category in Glasgow remains above the national average and continued reductions could represent a challenge in light of the recent recorded increases in youth unemployment.

4. Further Education

The Further Education (FE) sector is identified in the Government Economic Strategy as one of the primary channels for the provision of **a continued supply of the skilled people our businesses need**. Further details of the role that FE Colleges have in supporting the Scottish Government's Smarter objectives are highlighted in **Skills for Scotland: A Lifelong Learning Skills Strategy**. The strategy suggests that all learning and training providers should play to their specific strengths and that FE Colleges should focus on delivering:

- Core skills
- Employability Skills
- Vocational Skills

With future demand for qualifications expected to continue to increase and fewer job opportunities available to those with no qualifications the Government Economic Strategy identifies the need to increase **access** to educational opportunities.

The FE sector will have a key role to play to support Scotland's recovery from the recession. Many people that have lost their job since the start of the recession will be taking the opportunity to retrain or update their skills and qualifications in order to prepare for when the upturn comes. The Scottish Funding Council (SFC) have provided colleges with additional funding to meet the increasing demands placed on them for bursaries and other forms of student support during the current academic year (2009/10).

This section looks at the further education sector in Glasgow and covers;

- Resident Enrolments
- Deprivation & the MCMC Group

4.1 Resident Enrolments

4.1.1 Resident Enrolments at Scottish Colleges

In recent years, FE college enrolments amongst Glasgow residents have increased, but at a slower rate than across Scotland as a whole.

Table 4.1 shows that in 2008/09 there were 67,700 FE enrolments by Glasgow residents at colleges across Scotland. This represented a 6% increase from the total in 1998/99, below the equivalent increase of 16% across Scotland as a whole.

Table 4.1

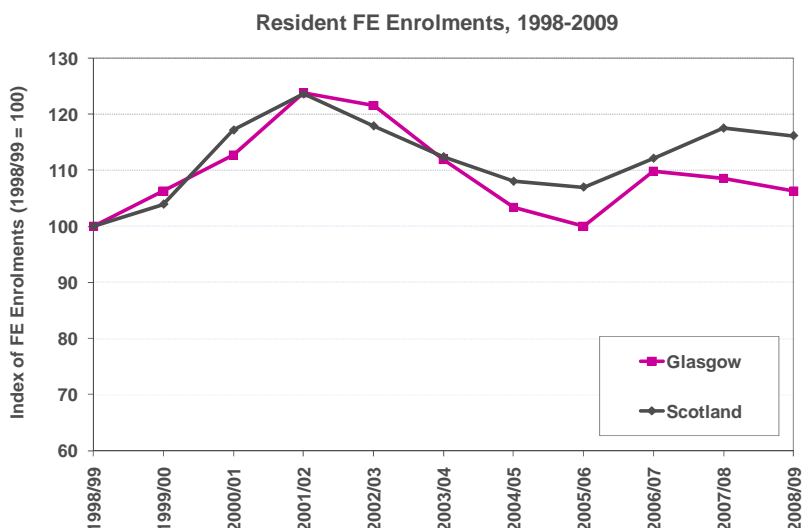
Source: Scottish Funding Council

Resident FE Enrolments				
	1998/99	2008/09	Change	
			No.	%
Glasgow	63,700	67,700	4,000	6%
Scotland	409,420	475,590	66,170	16%

Chart 4.1 shows change in the total number of Glasgow residents enrolled at FE institutions since 1998. It shows that the total peaked in 2001/02, partly due to the then Scottish Executive's commitment to provide 40,000 extra college places nationally. However, in the period since, there has been an overall fall in FE student numbers across both Glasgow and Scotland as a whole, though both remain above 1998/99 levels.

Chart 4.1

Source: Scottish Funding Council



It should be noted that, as these FE enrolment figures only cover the period up to the 2008/09 academic year, they do not fully take account of any increase in demand that has occurred as a result of the recession. Anecdotal evidence suggests that there has been a notable increase in demand for college places within the current academic year (2009/10) from both school leavers and older people who have found themselves out of work as a result of the recession.

4.1.2 Level of Study

FE colleges offer two primary course types: non-advanced Further Education (FE) courses and advanced Higher Education (HE) courses. Table 4.2 shows the number of Glasgow residents enrolled at FE institutions in Scotland in 2008/09 and the difference in enrolments between the two types of course.

Table 4.2

Source: Scottish Funding Council

HE & FE Enrolments at Further Education Colleges 2008/09					
	Total Enrolments	HE Courses		FE Courses	
		No.	%	No.	%
Glasgow	67,700	7,000	10%	60,600	90%
Scotland	475,600	46,400	10%	429,200	90%

The table shows that the vast majority (90%) of Glasgow residents enrolled at FE Colleges across Scotland in 2008/09 were on non-advanced FE courses. The remaining 10% were enrolled on advanced HE courses. This split mirrors the breakdown across Scotland as a whole.

In 1998/99, 14% of all Glasgow resident enrolments at FE colleges were on Advanced HE courses – higher than the current rate of 10%. This decline mirrors the move away from the provision of HE level courses within the FE sector across both Scotland and UK in recent years.

4.1.3 FE Enrolment Rates

Table 4.3 shows the number of college enrolments per 10,000 working age population in Glasgow, relative to Scotland as a whole, in 2008/09. It shows that the college enrolment rate in Glasgow was above the national average for both HE and FE level courses. **In other words, FE participation levels amongst Glasgow residents are higher than across Scotland as a whole.**

Table 4.3

Source: Scottish Funding Council

	Working Age Population	Rates per 10,000 of WAP	
		Higher Education	Further Education
Glasgow	392,028	180	1,547
Scotland	3,238,035	143	1,325

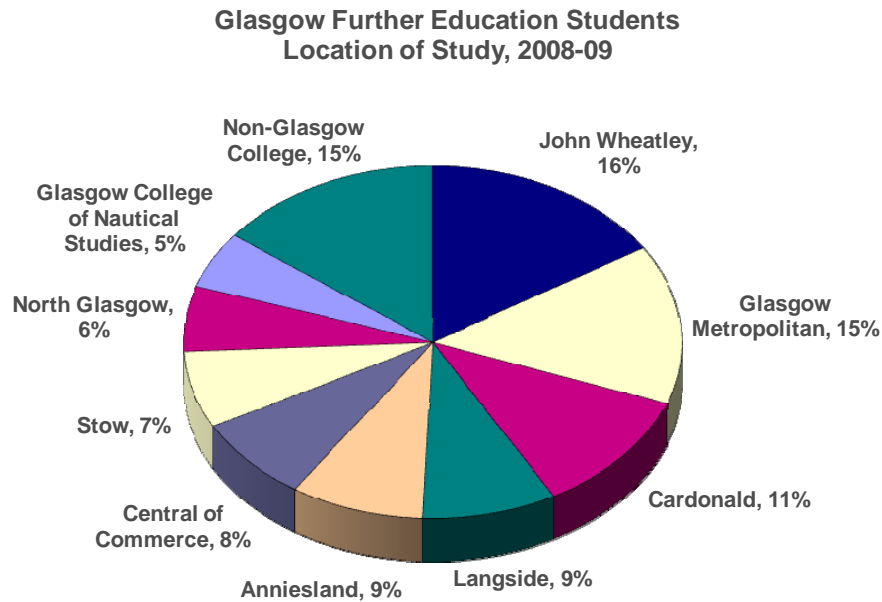
4.1.4 Resident Enrolments at Glasgow Colleges

The vast majority of FE enrolments from Glasgow residents are at one of the nine colleges located within the city.

Chart 4.2 shows which colleges FE students from Glasgow enrolled at in 2008/09. The vast majority of enrolments (85%) were at one of the nine colleges located in the city, with just 15% of FE enrolments elsewhere.

Chart 4.2

Source: Scottish Funding Council



4.1.5 Resident Enrolments by Subject

Computing, social studies and health are the most popular subjects taken by Glasgow residents enrolling at FE Colleges.

Table 4.4 shows the subjects studied by Glasgow residents enrolled at FE colleges by Dominant Programme Group (DPG). It shows that:

- **Computing** is the most popular subject for FE students from Glasgow, accounting for 18% of all enrolments, above the national average of 14%.
- The second most popular subject for FE students from Glasgow is **health**, which accounted for almost 9,000 enrolments in 2008/09. However, it should be noted that this is a broad category and includes subjects such as **beauty therapy** and **hairdressing**.

- The next most popular programme for Glasgow residents is **social studies**. In 2008/09, 13% of Glasgow residents enrolled on such courses, compared to 10% nationally.
- The proportion of FE enrolments on **special programmes** from Glasgow residents is more than twice the national average. This is a broad category, which includes a range of course types specifically geared towards individuals with additional learning needs. This suggests that the FE sector in the city is committed to providing equal access to educational opportunities.
- **Financial & business services** has been the fastest growing industry in Glasgow over the past decade and a key growth sector across Scotland as a whole. Although employees in the sector require a range of different skills, qualifications such as **business & management and computing** are linked to many opportunities in the sector. These subjects cumulatively accounted for around 22% of resident enrolments.

Table 4.4

Source: Scottish Funding Council

	Glasgow		Scotland	
	No.	%	No.	%
No prog gp record	330	0%	4,300	1%
Agriculture	330	0%	11,150	2%
Business & Management	2,960	4%	23,240	5%
Food & Catering	2,820	4%	27,130	6%
Computing	11,870	18%	64,380	14%
Construction	3,990	6%	24,900	5%
Art & Design	4,010	6%	41,720	9%
Engineering	1,910	3%	28,450	6%
Health	8,930	13%	71,310	15%
Minerals	1,190	2%	5,480	1%
Personal Development	3,600	5%	30,820	6%
Printing	120	0%	450	0%
Science & Maths	1,250	2%	10,950	2%
Office & Secretarial	390	1%	4,920	1%
Social Studies	8,880	13%	48,000	10%
Social Work	1,570	2%	16,390	3%
Sport & Recreation	2,930	4%	18,580	4%
Transport	740	1%	10,290	2%
Special Programs	9,870	15%	33,180	7%
TOTAL	67,690	100%	475,640	100%

4.2 Deprivation and the More Choices, More Chances Group

4.2.1 Deprivation

Almost half of all Glasgow residents enrolled at FE colleges live in areas ranked amongst the 15% most deprived in Scotland.

The **Wealthier & Fairer** chapter of this years' Slims Consulting Economic Statement Series reported that 42% of Glasgow's residents lived within neighbourhoods ranked amongst the 15% most deprived in Scotland in 2009. In 2008/09, 48% of enrolments at FE Institutions by Glasgow residents came from these areas. **This shows that a disproportionately high number of Glasgow residents enrolling on FE courses come from deprived areas.**

Table 4.5 shows the proportion of students enrolled at each of Glasgow’s nine colleges that come from deprived areas. It shows that:

- Each of Glasgow’s colleges attracts a higher share of students from deprived areas than the average for all Scottish colleges (17%);
- John Wheatley College attracts the highest proportion of students from deprived areas, with 66% of its enrolments from these neighbourhoods in 2008/09;
- By comparison, around a fifth of students at Glasgow College of Nautical Studies and Stow College come from deprived areas; however
- The variation between colleges is likely to be the result of the concentrations of deprivation within the communities close to where each of the colleges is located.

Table 4.5

Source: Scottish Funding Council

Enrolments from Deprived Areas 2008/09		
	Total	% of all enrolments
Anniesland College	2,900	37%
Cardonald College	3,900	30%
Central College of Commerce	3,200	35%
Glasgow College of Nautical Studies	2,100	20%
Glasgow Metropolitan College	4,700	26%
John Wheatley College	8,100	66%
Langside College	2,700	25%
North Glasgow College	2,500	31%
Stow College	3,100	22%
Glasgow	32,800	48%
Scotland	81,900	17%

4.2.2 More Choices, More Chances

The Scottish Funding Council (SFC) places particular emphasis on the role FE Colleges should play to help reduce the number of young people aged 16-19 that are not in employment, education or training – the MCMC target group.

The Scottish Government has identified a number of characteristics that are particularly prevalent amongst the MCMC group, one of which is deprivation. Table 4.6 shows the total number of Glasgow residents aged 16-18 that were enrolled at FE colleges in the 2008/09 academic year and the share of all FE enrolments that they accounted for. It also shows the proportion of these that came from deprived areas. We have carried out this analysis on the 16-18 population as statistics are not available for those aged 16-19.

In 2008/09, a total of 11,000 16-18 year olds from Glasgow enrolled at FE colleges, accounting for 16% of all enrolments from the city. This was slightly lower than across Scotland as a whole, where 16-18 year olds accounted for 18% of all FE enrolments.

Around half (49%) of all 16-18 year olds from Glasgow enrolled at FE colleges in 2008/09 were from deprived neighbourhoods, well above the Scottish average of 18%. This analysis suggests that Glasgow colleges are successfully engaging with young people from deprived areas that could be at risk from becoming MCMC. However, an increase in the overall proportion of enrolments from this age group would move the city closer to the national averages on this measure.

Table 4.6

Source: Scottish
Funding Council

16-18 Year Old FE Enrolments 2008/09			
	Total	% of all enrolments	% from deprived areas*
Glasgow	11,000	16%	49%
Scotland	83,400	18%	18%

*data zones ranked within the 15% most deprived in Scotland

4.3 Conclusions – Further Education

- The number of Glasgow residents enrolled at FE colleges has increased in recent years, but at a slower rate than across Scotland as a whole. **However, the rate of FE enrolments per head of population in the city remains above the national average.**
- The majority of FE enrolments from Glasgow residents in 2008/09 were at one of the nine colleges located in the city, with just 15% enrolling at colleges elsewhere. **This suggests that FE provision in the city is matching demand.**
- Computing, social studies and health are the most popular subjects studied by Glasgow residents enrolled at FE colleges. **These are all linked to sectors that have experienced strong growth over the past decade, which would suggest that course provision is broadly matching industry demand.**
- Almost half of all Glasgow residents enrolled at FE colleges come from deprived neighbourhoods – higher than the number of Glasgow residents actually living in these areas. **This suggests that FE colleges are successfully targeting those areas of greatest need in the city.**
- The Glasgow colleges that are located in more deprived areas attract a higher level of residents from such areas, **suggesting that local colleges are meeting many of the educational needs of their respective communities.**
- Half of all 16-18 year olds from Glasgow enrolled at FE colleges come from deprived neighbourhoods. **This suggests that Glasgow colleges are successfully engaging young people from areas considered to be ‘MCMC hotspots’.**

5. Higher Education

Over the past decade, there has been a rapid expansion of the Higher Education sector across Scotland and the UK. This has been partly driven by increased recognition of the importance of skills as a key driver of economic growth. Skills are becoming more important for individuals to succeed in modern service-based economies as demand by employers for individuals with high level skills continues to increase.

There has been a further increase in demand for university places since the start of the recession. Official figures show that almost 40,000 applications had been made to Scottish universities by January 2010, up 31% from the previous year. The majority of these were from school leavers, **but the number of older people looking to go into higher education has also risen sharply as a result of the contraction of the jobs market.**

It will be important for the ever increasing number of new graduates leaving Scottish universities to reach their full potential in the labour market. In recognition of this, Scotland's Economic Strategy sets a target to **increase the percentage of Scottish domiciled graduates from Scottish Higher Education Institutions in positive destinations.**

This section looks at the graduate labour market in Glasgow and covers:

- Total Graduates
- Graduate Destinations
- Graduate Employment

5.1 Total Graduates

The number of Glasgow residents graduating from university has increased rapidly since the turn of the decade, but the rate of new graduates per head remains below the national average.

The number of Glasgow residents graduating annually from universities across the UK has increased by two thirds since the turn of the decade, as shown in Table 5.1. In 2008, a total of 2,620 Glasgow residents graduated from HE courses. This represented a graduate count of 6.7 per 1,000 working age population, though this was below the Scottish average of 8.4 per 1,000.

Table 5.1

Source: HESA

Total Graduates 2000 & 2008*					
Home area prior to study:	2000	2008	Change 2000-2008		Graduates p/head 2008
			No	%	
Glasgow	1,570	2,620	1,040	66%	6.7
Scotland	19,650	27,230	7,580	39%	8.4

*includes all graduates from both undergraduate and postgraduate courses

This analysis shows that continued increases in the number of Glasgow residents graduating from university will be required if the rate of new graduates per head is to move closer to the national averages. As reported in Chapter 3, school leavers in Glasgow are less likely to go to university than across Scotland as a whole. Therefore, an increase in the share of school leavers accessing HE opportunities is likely to be required if the rate of new graduates per head is to move closer to the Scottish average in the future.

5.2 Graduate Destinations

5.2.1 Employment Status of New Graduates

Since the start of the recession in 2008, many commentators have speculated about the potential impact of the resulting contraction in the jobs market on the employment prospects of new graduates. Anecdotal evidence suggests that many firms have significantly scaled back their graduate recruitment activity and training programmes, resulting in a very competitive graduate jobs market.

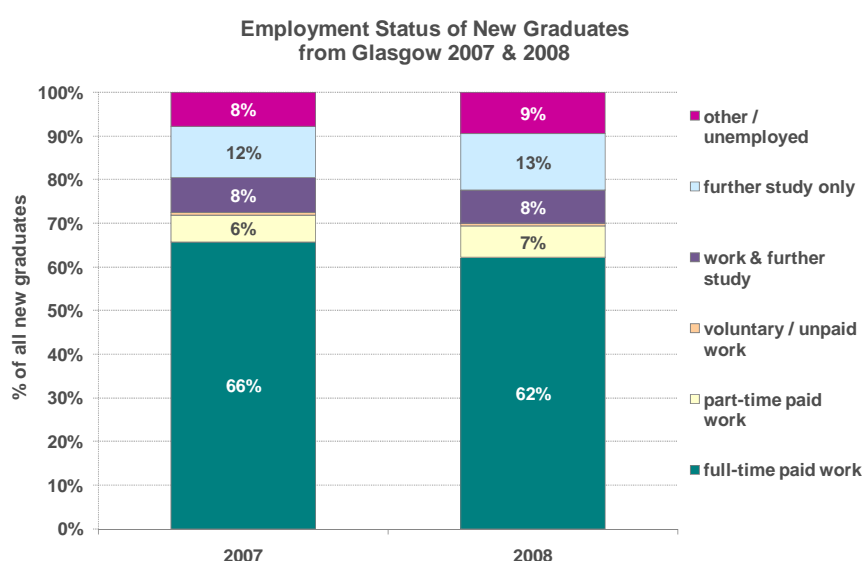
The latest graduate employment figures available relate to those graduating in the summer of 2008, a few months before the onset of the global financial crisis in September of that year. **These figures therefore represent the first available evidence of the impact of the recession on the graduate labour market.**

Chart 5.1 compares the employment status of Glasgow residents graduating from university in 2007 with those graduating in 2008. It shows that the recession may be having an impact as:

- The proportion of new graduates going into full-time paid work fell from 66% in 2007 to 62% in 2008;
- There was a slight increase of 1% in the proportion of new graduates going into part-time work; and
- There were also slight increases in the share of graduates going on to further study or unemployment.

Chart 5.1

Source: HESA



Despite the recent fall in the proportion of new graduates going into full-time paid employment, Glasgow is still performing well in relation to the target set out in the GES in that 91% of all graduates from the city were in positive destinations six months after finishing university in 2008 – this was in line with the national average. In other words, new graduates from Glasgow are no more likely be unemployed than across Scotland as a whole.

5.2.2 Destination of New Graduates

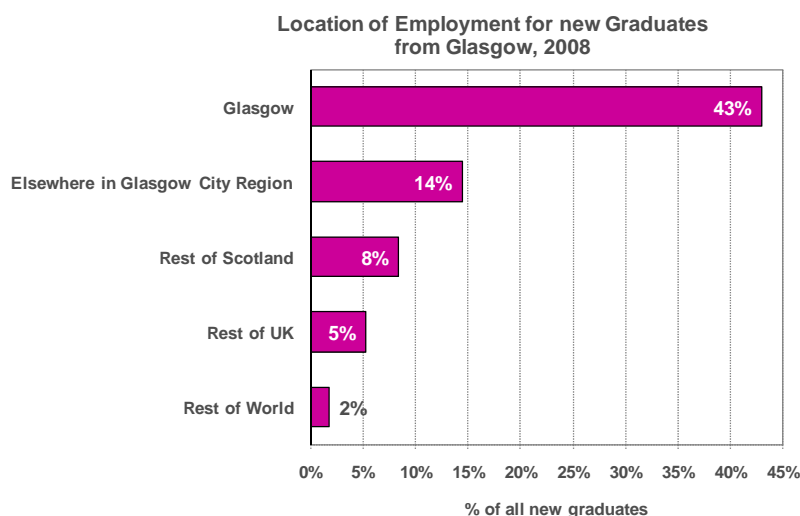
Chart 5.2 shows the location of the first job or place of further study for 2008 graduates originally from Glasgow:

- Over two fifths (43%) of all new graduates from Glasgow find their first job in the city;

- A further 14% go elsewhere within the city region; and
- Less than 10% leave Scotland.

Chart 5.2

Source: HESA



In 2007, almost half (49%) of all graduates originally from Glasgow found their first job in the city. In 2008, this had fallen to 43% which suggests that some new graduates have had to look further afield for employment since the start of the recession.

5.3 Graduate Employment

The analysis in the previous section showed that the proportion of Glasgow graduates that are in positive destinations six months after finishing university is in line with the average for Scotland, with the majority of new graduates entering full time employment.

However, **the quality and type of jobs taken by graduates also has to be considered.** This section looks at graduate employment by industry and occupation and considers whether or not local graduates are reaching their full potential in the labour market.

5.3.1 Graduate Employment by Occupation

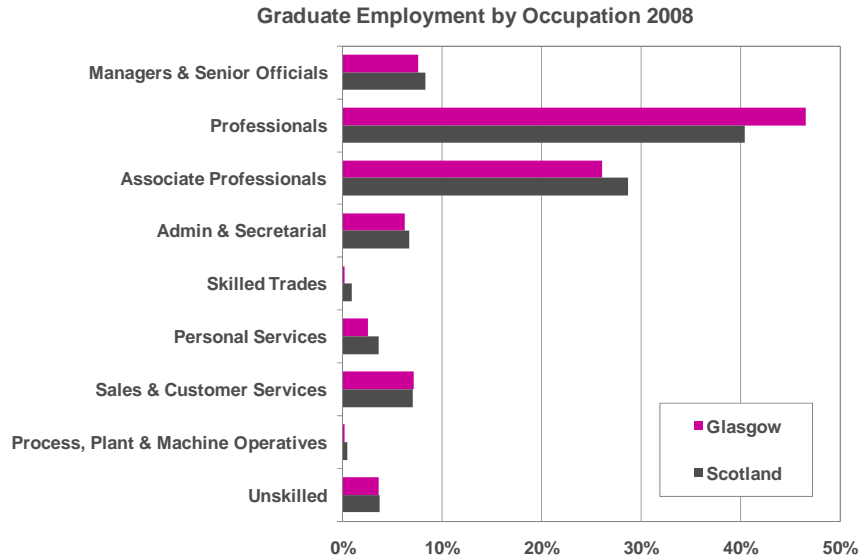
A higher proportion of Glasgow graduates go into professional occupations than across Scotland as a whole.

Chart 5.2 compares the occupations of 2008 graduates from Glasgow with those from across Scotland as a whole. The majority (80%) of all new graduates from Glasgow went straight into one of the three 'traditional' graduate roles of managerial, professional or associate professional. This was slightly higher than the Scottish average of 77%. Graduates from Glasgow are more likely to enter professional jobs, and less likely to enter associate professional posts, than across Scotland as a whole.

This analysis suggests that the majority of 2008 graduates from Glasgow that found employment went into 'graduate level' jobs. In fact, a higher proportion of new graduates from the city secured senior positions than across Scotland as a whole.

Chart 5.3

Source: HESA



The proportion of new graduates going into managerial or professional occupations was the same in 2008 as in 2007. In other words, there is no evidence so far to suggest that the recession has resulted in a higher proportion of graduates going into lower level occupations.

5.3.2 Graduate Employment by Industry

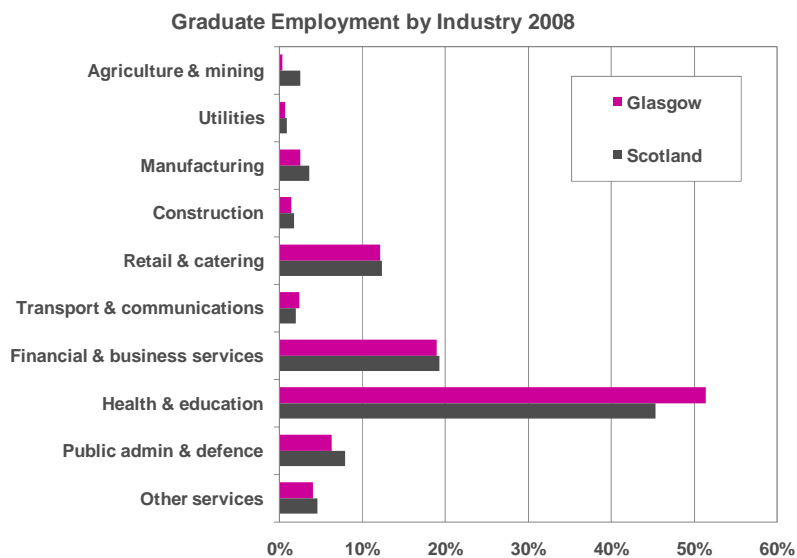
Graduates from Glasgow are more likely to work in health & education than across Scotland as a whole.

Chart 5.4 compares the industry of employment of 2008 graduates from Scotland with those from across Scotland as a whole. It shows that more than half of all new graduates from Glasgow found their first job in health & education – above the average for Scotland. The second most popular industry of employment for new graduates is financial & business services, accounting for around a fifth of the total in both Glasgow and Scotland in 2008.

More than one in every ten (12%) of all 2008 graduates from both Glasgow and Scotland were employed in the retail & catering sector six months after graduating. Whilst there are some graduate opportunities within this sector, the vast majority of positions are entry-level. **This suggests that there is a degree of ‘under-employment’ of graduates within Glasgow, but no more so than across Scotland as a whole.**

Chart 5.4

Source: HESA



It should be noted that these statistics are collected at a fairly early stage following graduation. It is therefore likely that some new graduates will have yet to secure a graduate post, but will progress through the labour market as they get older.

5.4 Conclusions – Higher Education

- **There has been a rapid increase in the number of Glasgow residents graduating from universities across the UK in recent years.** However, the rate of new graduates per head in the city remains below the national average.
- **The proportion of new graduates finding full-time work in the six months following graduation fell between 2007 and 2008.** This is likely to be attributable to the contraction in the jobs market that has occurred since the start of the recession.
- The proportion of Glasgow graduates that are in positive destinations six months after completing university is in line with the national average. **The city is therefore in a strong position to contribute to the target set out in the Government Economic Strategy.**
- The majority of new graduates from Glasgow find their first job either in the city or elsewhere within the city region. **The city therefore has a relatively good graduate retention record with few new graduates leaving the country altogether.**
- **A higher proportion of Glasgow graduates enter professional occupations than across Scotland as a whole.** In other words, graduates from the area are no more likely to experience 'under-employment' than across Scotland as a whole.
- More than half of all Glasgow graduates find their first job within the **health & education sector**, a higher proportion than across Scotland as a whole. This will predominantly be teaching and nursing professionals.

6. Skills & Training in the Workplace

The Government Economic Strategy states that a smarter Scotland **needs improved skills across the entire population** in order to meet the future needs of the national economy. This means that, as well as improving the attainment of those still in education, a focus on improving the skill levels of those already in work will also be required.

Since the start of the recession, many companies have had to look at ways in which to reduce costs in order to remain competitive or, in some cases, to stay in business. Investment in staff training can often be viewed as 'non-essential' expenditure and there is a risk that many firms will have recently scaled back investment in this area in order to reduce costs.

However, a well-trained and skilled workforce will be instrumental in supporting organisations during the downturn as well as after economic recovery and growth resumes. There is a risk that cutting down on training and skills development for employees will result in a shortage of talented workers come the upturn, which could then greatly affect competitiveness.

This section focuses on skills and training issues in the workplace and covers:

- Skill Gaps in the Workplace; and
- In-Work Training

6.1 Skill Gaps in the Workplace

Futureskills Scotland interviewed a total of 6,300 Scottish employers in summer 2008, making their Employers Skills Survey the largest of its type in Scotland. The purpose of the survey was to gain the views of Scottish employers on skills, training and recruitment issues.

The findings from the 2008 Employers Skills Survey are only available for Scotland as a whole, but provide a good overview of skills issues facing employers across the country. This section summarises some of the main findings in relation to skill gaps and training in the workplace.

6.1.1 Skill Gaps

Skill gaps refer to those in employment and occur where employees are judged by their employer not to have the skills to perform their job with full proficiency. The 2008 Employers Skills Survey results showed that:

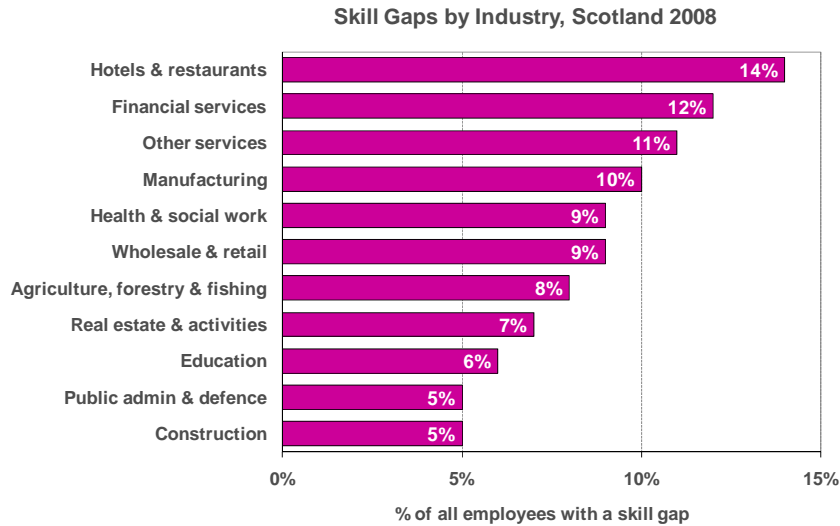
- a fifth of all Scottish workplaces have at least one employee with a skill gap;
- these gaps affect 8% of all employees – a total of 179,000 people; however
- over a third are the result of positive developments in the workplace, such as new working practices, products or services; and
- most occur because the employee has not been in the job very long or has not completed their training.

Skill Gaps by Industry

Chart 6.1 shows skill gap rates in Scottish workplaces by industry. Two sectors stand out as having an above average skill gap rate: **hotels & restaurants and financial services**. The findings from the survey suggest that 14% of all people working within hotels & restaurants are not fully proficient at their job. The equivalent proportion within financial services was 12%.

Chart 6.1

Source: Futureskills Scotland, Employer Skills Survey 2008



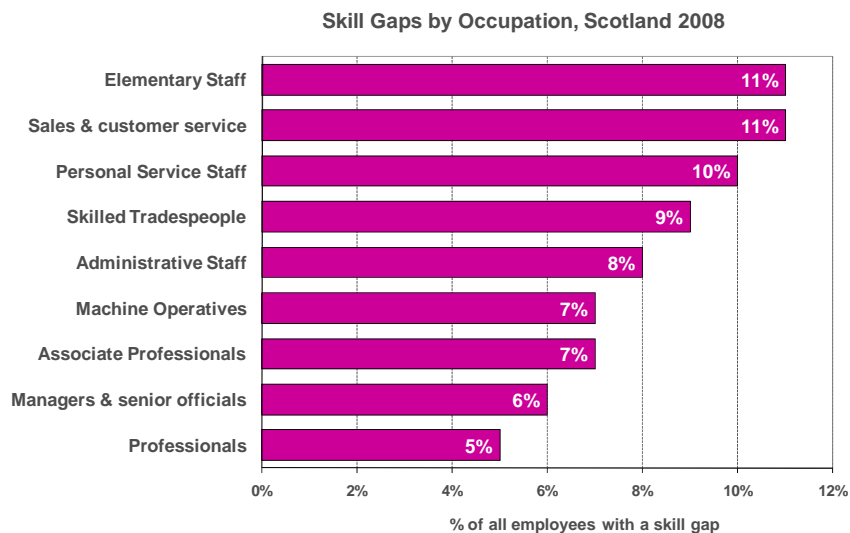
Skill Gaps by Occupation

Those occupations which generally require lower levels of skills and qualifications are most likely to have skill gaps. Chart 6.2 shows that:

- Sales & customer service, personal service and elementary occupations have the highest skill gap rates;
- by contrast, skill gap rates are relatively lowest amongst managers & senior officials and professionals;
- **this analysis suggests a need to improve skill levels among workers at the lower end of the occupational scale in Scotland.**

Chart 6.2

Source: Futureskills Scotland, Employer Skills Survey 2008



Type of Skill Gaps

Skill gaps are more likely to be the result of weaknesses in 'soft' core skills rather than deficiencies in technical or practical skills. The skills most commonly cited by Scottish employers as lacking amongst employees with a skill gap were planning & organising, customer handling, problem solving and team working.

Summary

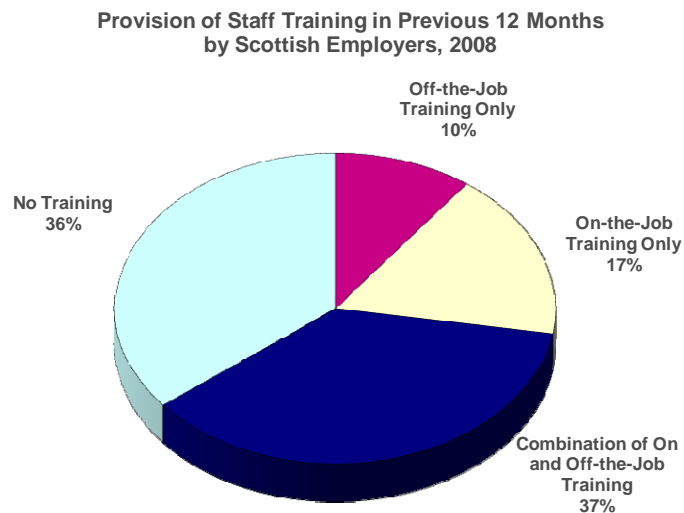
- A **fifth of all employers** in Scotland report that not all of their staff have the skills to be fully proficient in their job.
- Skill gaps are most common within the **hotel & restaurant industry and financial services**.
- Skill gaps **disproportionately affect those occupations which require lower levels of skills and qualifications**.
- Skill gaps arise mainly because of **weaknesses in the softer core skills** of employees such as planning and organising, customer handling, problem solving and team working.

6.1.2 Training

The majority of Scottish firms surveyed had offered some form of staff training in the preceding 12 months, as shown in Chart 6.3. Just 36% of employers had provided no training at all for staff.

Chart 6.3

Source: Futureskills
Scotland, Employer Skills
Survey 2008



In terms of staff training, the key findings from the survey were that:

- **Larger** workplaces were more likely than **smaller** workplaces to have provided training for their staff;
- The three industries found to be most likely to provide training to employees were **public admin & defence, education and health & social work** – in other words, the public sector;
- The companies least likely to provide staff training were those in **agricultural related industries, manufacturing or construction**;
- Employees in **senior** occupations were much more likely to have received training than those in **lower skilled** occupations; and
- The most common reasons given for not providing training were that **staff were already fully proficient or that training was not necessary for the business** – few businesses cited lack of funds or lack of suitable training.

6.2 In-Work Training

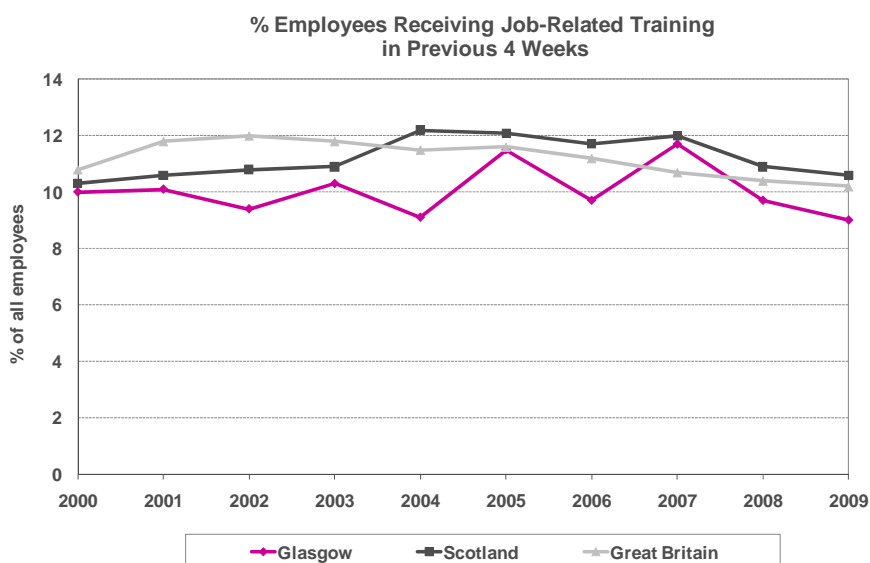
The previous section looked at the issues of skill gaps and employee training across Scotland as a whole. **This section looks specifically at trends in the levels of in-work training taking place in Glasgow.**

Chart 6.4 shows change in the proportion of employees receiving job related training in the previous four weeks in Glasgow, Scotland and GB between 2000 and 2009. The key findings from this analysis are that:

- the proportion of Glasgow employees receiving training has been consistently below both the Scottish and GB averages throughout the majority of the period since 2000;
- the proportion of employees in the city receiving training fell from a peak of 12% in 2007 to 9% in 2009;
- there were also recorded falls in the share of employees receiving training across Scotland and GB between 2007 and 2009; therefore
- **there has been a notable reduction in the level of staff training provided by employers since the start of the recession and this appears to be particularly marked in Glasgow.**

Chart 6.4

Source: Annual Population Survey, 2004-09; Labour Force Survey, 2000-04



Despite the evidence that skills gaps are more prevalent amongst lower skilled employees, job-related training appears to be concentrated at the higher end of the occupational scale. More than half of all employees receiving job-related training in Glasgow, Scotland and GB were employed in managerial or professional occupations in 2009, as shown in Table 6.1. Possible explanations for this include:

- Those in higher level posts are likely to already have higher level qualifications and may therefore be more amenable to further training;
- Those employed in higher level posts require higher level skills;
- As staff turnover tends to be higher at the lower end of the occupational scale, employers may view investment in staff training as a risk; and
- Lower level jobs are more likely to be part-time.

Table 6.1

Source: Annual Population Survey, 2009

Employees Receiving Job-Related Training in Previous 4 Weeks					
	Total	% male	% female	% manager / professional	% working in service industries
Glasgow	34,900	48%	52%	54%	91%
Scotland	339,200	48%	52%	54%	83%
GB	3,743,200	47%	53%	55%	85%

The vast majority (91%) of employees in Glasgow receiving job-related training in 2009 worked in the service sector. This was higher than the equivalent rates of 83% for Scotland and 85% for GB. This is perhaps unsurprising given that, like most cities, Glasgow's economy is dominated by the service sector.

Across all areas, women account for more than half of all employees receiving job related training. This is likely to be as a result of the fact that training is most prevalent in the public sector and other service sectors. These are industries in which women account for the majority of employees.

6.3 Conclusions – Skills & Training in the Workplace

- **Around a fifth of all employers in Scotland report that not all of their staff have the necessary skills to carry out their job proficiently.** This is likely to be impacting on productivity levels within these firms and indicates a demand for greater levels of in-work training.
- These skill gaps are most common amongst those working in jobs which generally require lower levels of skills & qualifications, **suggesting a need to improve skill levels among workers at the lower end of the occupational scale in Scotland.**
- Employers report that the type of skills lacking among those with skill gaps are 'soft' skills such as **planning and organising, customer handling, problem solving and team work.**
- The proportion of Glasgow employees receiving job-related training is currently in line with the national averages. **Training is disproportionately concentrated within managerial and professional occupations in both Glasgow and Scotland as a whole.**
- **This analysis suggests a need for a greater focus on improving the basic skill levels of those at the lower end of the occupational scale in both Glasgow and Scotland.** This could involve introducing incentives for employers in order to encourage investment in training for those in low-skilled occupations.

7. Towards a Smarter Glasgow

This report has taken a detailed look at Glasgow's performance in relation to the strategic objective set out in the Government Economic Strategy of creating a 'Smarter Scotland'. This final section summarises the main findings from this analysis, provides an assessment of the area's contribution towards achieving the targets set out in the National Performance Framework and highlights what this might mean in terms of the likely challenges for Glasgow.

Workforce Skills

GES Target: *to reduce the number of working age people with severe literacy and numeracy problems*

- The current proxy measure for this target is the proportion of working age adults with qualifications at SCQF Level 4 or below. **In recent years, there has been a substantial reduction in the number of people in this category, suggesting that the country as a whole appears to be making good progress in relation to the target.**
- The proportion of Glasgow residents with no qualifications is above the national average and has fallen only marginally in recent years. **An increased focus on reducing the numbers in this group is likely to be required if the city is to contribute to the national target.**
- The share of Glasgow residents educated to degree level has increased rapidly in recent years so that it is now in line with the national average.
- Skills and qualification levels have a direct impact on an individual's likelihood of being in work and their earning potential. **Individuals with at least some form of qualification are much more likely to be in work than those with no qualifications at all.**
- Glasgow's low employment rate is therefore likely to be linked to the relatively high proportion of city residents with no qualifications at all. **Success in reducing the numbers with no qualifications would help increase the employment prospects and earning potential of many residents.**

School Leavers

GES Target: *to increase the proportion of school leavers in positive and sustained destinations (FE, HE, employment or training)*

- **Qualification attainment across secondary schools in Glasgow is below average relative to Scotland as a whole.** The proportion of S4 students achieving a minimum of five Standard Grades at general level or better has been consistently below the national average over the past decade.
- Despite some improvement in recent years, **staying-on rates in secondary schools in Glasgow remain below the Scottish average.**
- Relative to Scotland as a whole, school leavers in Glasgow are less likely to enter Higher Education and more likely to enter Further Education or Training. **School leavers in the city are no more likely to enter unemployment than across Scotland as a whole.**
- There has been a substantial improvement in recent years in the proportion of school leavers in Glasgow entering positive destinations. **However, this will need to improve further still to reach the Scottish average and contribute to the national target.**

- **There was a substantial reduction in the number of 16-19 year olds in Glasgow that were not in employment, education or training between 2004 and 2008.** However, the proportion of young people in this category in Glasgow remains above the national average and continued reductions could represent a challenge in light of the recent recorded increases in youth unemployment.

Further Education

- The number of Glasgow residents enrolled at FE colleges has increased in recent years, but at a slower rate than across Scotland as a whole. **However, the rate of FE enrolments per head of population in the city remains above the national average.**
- The majority of FE enrolments from Glasgow residents in 2008/09 were at one of the nine colleges located in the city, with just 15% enrolling at colleges elsewhere. **This suggests that FE provision in the city is matching demand.**
- Computing, social studies and health are the most popular subjects studied by Glasgow residents enrolled at FE colleges. **These are all linked to sectors that have experienced strong growth over the past decade, which would suggest that course provision is broadly matching industry demand.**
- Almost half of all Glasgow residents enrolled at FE colleges come from deprived neighbourhoods – higher than the number of Glasgow residents actually living in these areas. **This suggests that FE colleges are successfully targeting those areas of greatest need in the city.**
- The Glasgow colleges that are located in more deprived areas attract a higher level of residents from such areas, **suggesting that local colleges are meeting many of the educational needs of their respective communities.**
- Half of all 16-18 year olds from Glasgow enrolled at FE colleges come from deprived neighbourhoods. **This suggests that Glasgow colleges are successfully engaging young people from areas considered to be ‘MCMC hotspots’.**

Higher Education

GES Target: *to increase the percentage of Scottish domiciled graduates from Scottish Higher Education Institutions in positive destinations*

- **There has been a rapid increase in the number of Glasgow residents graduating from universities across the UK in recent years.** However, the rate of new graduates per head in the city remains below the national average.
- **The proportion of new graduates finding full-time work in the six months following graduation fell between 2007 and 2008.** This is likely to be attributable to the contraction in the jobs market that has occurred since the start of the recession.
- The proportion of Glasgow graduates that are in positive destinations six months after completing university is in line with the national average. **The city is therefore in a strong position to contribute to the target set out in the Government Economic Strategy.**
- The majority of new graduates from Glasgow find their first job either in the city or elsewhere within the city region. **The city therefore has a relatively good graduate retention record with few new graduates leaving the country altogether.**

- **A higher proportion of Glasgow graduates enter professional occupations than across Scotland as a whole.** In other words, graduates from the area are no more likely to experience 'under-employment' than across Scotland as a whole.
- More than half of all Glasgow graduates find their first job within the **health & education sector**, a higher proportion than across Scotland as a whole. This will predominantly be teaching and nursing professionals.

Skills & Training in the Workplace

- **Around a fifth of all employers in Scotland report that not all of their staff have the necessary skills to carry out their job proficiently.** This is likely to be impacting on productivity levels within these firms and indicates a demand for greater levels of in-work training.
- These skill gaps are most common amongst those working in jobs which generally require lower levels of skills & qualifications, **suggesting a need to improve skill levels among workers at the lower end of the occupational scale in Scotland.**
- Employers report that the type of skills lacking among those with skill gaps are 'soft' skills such as **planning and organising, customer handling, problem solving and team work.**
- The proportion of Glasgow employees receiving job-related training is currently in line with the national averages. **Training is disproportionately concentrated within managerial and professional occupations in both Glasgow and Scotland as a whole.**
- **This analysis suggests a need for a greater focus on improving the basic skill levels of those at the lower end of the occupational scale in both Glasgow and Scotland.** This could involve introducing incentives for employers in order to encourage investment in training for those in low-skilled occupations.

Key Challenges

The analysis contained within this report has highlighted some **potential** future challenges facing Glasgow in terms of creating a **Smarter** society and making a positive contribution to the targets set out in Scotland's Economic Strategy. These include:

- **Reducing the relatively high proportion of city residents with no qualifications.** This will have a direct impact on the labour market prospects and earning potential of these individuals, which will in turn contribute to reducing social exclusion and deprivation.
- **Improving secondary school performance, both in terms of qualification attainment and staying on rates, to a level comparable with the national average.** This will in turn increase the likelihood of school leavers going into positive and sustained destinations.
- **Maintaining the recent success in reducing unemployment and inactivity levels amongst young people** in the More Choices, More Chances age group in light of the contraction in the jobs market that has occurred as a result of the recession. This is likely to involve an increased focus on learning and training opportunities for this age group.
- **Dealing with the increased demands placed on both the FE and HE sectors since the start of the recession.** Colleges and universities across the city will have a key role to play in assisting the economic recovery, but many are likely to be operating under increasing financial pressures.

- Ensuring educational provision, particularly within the FE sector, is **focussed on those industries and occupations that are likely to provide future job opportunities** as the economy emerges from recession.
- **Encouraging employers of the value of continued investment in staff training and development even through many are facing difficult financial conditions.** This could involve offering support to the private sector to ensure that staff training remains on their agenda.